

Indiana Department of Natural Resources - Division of Forestry
Group Chain of Custody Certification Procedures for the
Forest Stewardship Council (FSC)

Group Member Procedures

For Members purchasing and supplying FSC Controlled Wood

Group Member: _____

Contact Name: _____

Mailing Address: _____

Telephone: _____ email: _____



January 14, 2010

Certificate Number SCS-COC-002041____

Table of Contents

I.	Introduction	3
II.	Definitions	3
III.	Documented Control System and Procedures for FSC Chain of Custody	4
○	Part I: Universal Requirements.....	4
1.	Quality Management.....	4
2.	Scope of Chain of Custody System	6
3.	Material Sourcing.....	6
4.	Material Receipt and Storage.....	7
5.	Volume Control	8
6.	Sales and Delivery	8
○	Part II: System for controlling FSC Claims	9
7.	Transfer System	9
8.	Percentage System	10
9.	Credit System.....	11
○	Part III: Labeling.....	12
10.	General Labeling Requirements	12
11.	Eligibility for Labeling	12
○	Part IV: Supplementary Requirements	12
12.	Outsourcing.....	12
13.	Minor Components	13
○	Part V: Controlled Wood	13
	Appendix A. Application for Group Membership.....	18
	Appendix B-1. FSC Chain of Custody Group Member Procedures for Quality Control	19
	Appendix B-2. Product Group Chart.....	20
	Appendix B-3. Record of all FSC Suppliers	21
	Appendix B-4. Segregation of FSC / Non-FSC Material.....	22
	Appendix B-5. Volume Control	23
	Appendix B-12. Chain of Custody Certification Outsourcing Agreement .	24
	Appendix B-13. Declaration of Forest Unit of Origin	26
	Appendix C. FSC STD-40-004 V2	
	Appendix D. Blank Contract for Indiana State Forest Timber	
	Appendix E. Blank Timber Sale Notice for State Forest Timber	
	Appendix F. Example Receiving Record or Document	
	Appendix G. Example Volume Control Record or Document	
	Appendix H. Example Conversion Factor Document	
	Appendix I. Example Packing Slip	
	Appendix J. Example Invoice	

I. Introduction

To facilitate the efficient application of Chain of Custody (CoC) Certification for Indiana forest products industries, the Division of Forestry has initiated a Group CoC Certification Procedure. This document outlines the procedures the DoF will follow to maintain the integrity of the group. The Division of Forestry is the “Group Entity” with responsibility for administration of the group and communication and coordination with the Certifying Body. The DoF will sign the SCS Chain of Custody agreement for a multi-site organization to be established as the Group Entity.

1.1. Eligibility

Membership in the DoF Group Chain of Custody certificate will be limited to forest products companies that meet the following qualifications:

- Located within the State of Indiana
- Engaged in logging, hauling or primary processing of forest products
- Make application to the Division of Forestry (DoF) requesting group membership
- Agree to comply with Corrective Action Requests (CARs) issued by DoF or contract auditors
- Agree to comply with Corrective Action Requests issued by DoF or the Certification Body, SCS.
- Agree to provide information (as necessary to ensure compliance with FSC CoC standards) to the DoF or the Certification Body upon request. This information may include, but not limited to: production records, internal policy documents, management records, invoices for services or products, agreements with outside entities; this information (excluding financial data) will be publicly available upon request.
- Submit to an initial audit and to annual audits by DoF and/or the Certifying Body
- Agree to have FSC product claims for labeling, marketing, and promotion comply with the appropriate FSC standard and be approved by SCS through the DoF.

II. Definitions

CoC – Chain of Custody

DoF – Indiana Division of Forestry

Group Manager – Indiana Division of Forestry

Member Company – Indiana forest products company (logger or primary industry) that voluntarily participates in the Division of Forestry’s Group FSC Chain of Custody Certificate

FSC – Forest Stewardship Council

SCS – Scientific Certification Systems, the Certifying Body for FSC

Certifying Body – The organization accredited by the Forest Stewardship Council to certify landowners, companies and other entities as FSC certified.

FSC CoC Administrator – the Individual within each Group Member company who is responsible for maintaining overall compliance with the requirements of FSC

DCS – Documented Control System, the system or set of procedures that each Group Member and the Division of Forestry agree to follow in order to maintain the overall integrity of the Chain of Custody Group Certification

III. Documented Control System and Procedures for FSC Chain of Custody

○ PART I: UNIVERSAL REQUIREMENTS

1. Quality Management

1.1 Responsibilities. This Group Member will indicate the person (name of individual) or position (title) who has the overall responsibility for FSC CoC control. This person or position should be clearly stated on the Application for Group Membership (Appendix A). This person or position shall be designated as the FSC CoC Administrator for this Group Member. The FSC CoC Administrator is responsible for all functions of the Group Member not elsewhere assigned. This Group Member’s FSC CoC Administrator is clearly stated on the cover of this document and on the Application for Group Membership.

The FSC CoC Administrator will maintain awareness of FSC throughout the management team and key staff. This may be accomplished through postings on bulletin boards, newsletters, team meetings, etc. This Group Member will demonstrate compliance with this requirement at each audit.

This Group Member shall notify the DoF within one month of any change in this information. Further, this Group Member shall notify DoF within one month of any changes of address or physical location of any facility. The DoF will notify SCS within one month of any such change to include the addition or removal of a Group Member.

1.2 Procedures. Each member shall prepare a statement of procedures, providing all the information on FSC Chain of Custody Group Member Procedures for Quality Control (Appendix B-1). These procedures are summarized in Appendix B-1 with additional

examples attached as necessary. This document, “Group Chain of Custody Certification Procedures for the Forest Stewardship Council (FSC) – Group Member Procedures”, is part of this company’s procedure and policy. This member understands that these procedures are necessary to insure the integrity of the FSC CoC Certificate and fully intends to prevent any non-FSC wood from entering our FSC Chain of Custody, in compliance with FSC STD 40-004 V2. This Group Member document includes the names of management personnel responsible for each procedure. A copy of FSC STD 40-004 V2 is attached to this document. A copy of this Documented Control System and Procedures for FSC Chain of Custody will be available to and in the possession of this member’s FSC CoC Administrator.

1.3 Training. All employees that come into contact with FSC materials will receive the appropriate level of training. Initial FSC training of existing employees will occur within 3 months of group membership and FSC training of new employees will occur within 3 months of employment. Thereafter, FSC training will occur at intervals not to exceed 3 years. The FSC CoC Administrator will keep a record of FSC training for each employee for a minimum of five years. The DoF will offer training opportunities at least annually for all group members. Group members will be notified of training opportunities by newsletter and/or announcement in the Licensed Timber Buyers Bulletin.

1.4 Records. This member will maintain complete and up-to-date records covering all the requirements of FSC STD 40-002V2 for a minimum of five years. These records include personnel responsibilities and training described above, in addition to records described later in this document. Examples of standard documents, including purchase orders, invoices, etc, with required references to FSC where appropriate, are attached to this document. These records include the following that are appropriate to this business (including sample or draft copies with this member’s procedures as applicable):

1. FSC Product Groups List
2. FSC Suppliers List
3. Purchase orders, receiving documents, production control document, bills of material, packing lists, invoices, and any other documentation identifying FSC materials from the point of specification to shipment.
4. Samples of labeling used on outbound shipments.
5. Examples of tags used while FSC stock is in inventory and/or in the manufacturing process.
6. Annual volume summaries of FSC inputs and outputs in a unit of measure (each pc., lineal feet, board feet, square feet, tons, etc.: not \$).
7. Records of all trademark and on-product label approvals by SCS for this firm. These include date and who gave the approval from your certification body.
8. Inventory balances of FSC inputs at the beginning and end of the audit period.
9. A conversion factor matrix for establishing a ‘Percentage Claim’, if applicable.

10. Signed Outsourcing Agreements for contractors, again, if applicable.

2. Scope of Chain of Custody System

2.1. Product Groups. This member will establish a list of FSC product groups that will be sold with FSC claims.

An example of a product group chart is shown below. A completed chart is provided in Appendix B-2.

FSC Material Output Category (1 of: FSC Pure, FSC Mixed, FSC Recycled, or FSC Controlled Wood)	FSC Product Classification(s) (See FSC-STD-40-004z (V1-0) EN)	FSC Species Terminology (If commonly used to designate product characteristics)	Material Input Categories (As many as apply: Pure, Mixed, Recycled, FSC Controlled Wood)	Control System (1 of: transfer, percentage, or credit)	Participating Sites (Sites involved in management, production, storage, sale, etc.)
<i>FSC Pure</i>	<i>UN0312 Hardwood Sawlogs</i>	<i>Red Oak</i>	<i>FSC Pure</i>	<i>Transfer</i>	<i>Main yard</i>
<i>FSC Pure</i>	<i>UN 0310 Lumber, Cross-ties,</i>	<i>Mixed Hardwoods (Oak, hickory, poplar,</i>	<i>FSC Pure</i>	<i>Transfer</i>	<i>Main street mill</i>
<i>FSC Pure</i>	<i>UN 3151 Veneer</i>	<i>Black Walnut, Black Cherry</i>	<i>FSC Pure</i>	<i>Transfer</i>	<i>Main street veneer mill</i>

Initially, this Group Member prepared a complete list of FSC Product Classifications, using FSC-STD-40-004a (V1-0) EN to determine product classification codes. Some FSC Material Input Categories are unknown until shipments are received from suppliers. All loggers and most primary mills will receive material as FSC Pure and will use the Transfer Control System, so the Output Category should also be FSC Pure.

2.2 Outsourcing. Each member shall clearly state which, if any, FSC materials will be outsourced to outside contractors, including anytime any FSC materials will leave the physical possession of your company. This includes off-site reloading facilities or warehouses, outside planing, treating, drying facility, etc. This member's intention to outsource materials is entered on the form in Appendix B-2. A list of processes to be outsourced to each Outsourcing Contractor is entered in Appendix B-12.

3. Material Sourcing

3.1 Input Specifications. This group member will use the FSC definitions and categories of input materials as required in FSC STD 40-004 V2. In procuring, sourcing and purchasing FSC inputs, the FSC CoC Administrator will verify that the supplier includes the information necessary in the shipping documents and invoice to establish the Product Groups.

3.2 Supplier Validation. The FSC CoC Administrator will establish and maintain a current record of all suppliers who currently or propose to supply FSC products. This information will include the supplier name, address, contact information, FSC CoC Code number, product type and material category (Claim: Pure, Mixed, etc). This information

will be kept on file, using the form in Appendix B-3 or similar format. An example Record of all FSC Suppliers is shown below:

Supplier	FSC Chain of Custody or Controlled Wood Code	Date validity of code last verified (www.fsc-info.org)	Product Supplied (See FSC-STD-40-004a V1-0 EN)	Material Category (FSC Pure, FSC Mixed, FSC Recycled, FSC Controlled Wood)
Division of Forestry 402 W. Washington Indnpls, IN 46204 317-232-4105	SCS-FM/COC-00099N	08-19-2008	i. coniferous sawlogs (UN 0311) ii. hardwood sawlogs (UN 0312)	FSC Pure
Joe Logger 123 Oak Street Indianapolis, IN 123-123-4567	SCS-COC-00####	08/19/2008	i. coniferous sawlogs (UN 0311) ii. hardwood sawlogs (UN 0312)	FSC Pure

This group member's FSC CoC Administrator will maintain a copy of each supplier's FSC CoC Certificate and at least annually check the validity of the supplier's certificate. The validity can quickly be checked by entering the Certificate Number on the FSC web site, www.fsc-info.org.

3.3. Purchase of non-certified material. This Group Member understands the option to purchase and supply FSC controlled wood. Part V of this document fully outlines the process for purchase and supply of controlled wood as necessary to fulfill the requirements of FSC-STD-40-005 (Version 2-1) EN. Group members currently do not use reclaimed material. Before using reclaimed material, this Group Member will notify DoF to request an audit of this standard.

4. Material Receipt and Storage

4.1 Identification of Input. This Group Members will state on purchase orders to vendors the requirement of "FSC Certified" and will require that the documentation accompanying each shipment and the invoice for the material includes:

- The words "FSC Certified"
- The FSC supplier's CoC Certificate Number (example SCS-COC-12345)
- The FSC Claim (FSC Pure, FSC Mixed Sources 70%, FSC Recycled, FSC Credit)

(The above three items will be stated on all outgoing packing slips and invoices)

- Check all normal descriptions, such as supplier name and location
- Product description and quantity received
- Part numbers if applicable

4.2. Segregation of FSC Material. This Group Member will develop a system to assure that FSC material is physically separated from or otherwise identifiable from non-

FSC material. This Group Member will have an accounting system that documents the receiving, inventory, manufacturing and distribution of FSC material. This Group Member's segregation of materials is found in Appendix B-4.

4.3. Precautions for labeled material. This Group Member will remove any labels before remanufacturing or conversion to another product. If or when FSC wood is resold in the same form and packaging as received (distributors, collection yards) we will check to make sure that the FSC wood is correctly labeled according to its FSC material category. If FSC wood is resold in the receiving packaging or container, this Group Member will remove any labels from competing forestry conformity assessment schemes. This member will assure that products sold as FSC do not contain SFI, PEFC or labels from other competing forest assessment schemes anywhere on the product.

5. Volume Control

5.1 Conversion Factors. This requirement is not applicable to distributors or any manufacturer where the quantity and unit of measure is the same after the manufacture as before. For members that manufacture a product measured in a different unit than materials received, a conversion factor will be indicated. See example table below. This Group Member entered conversion factors on the form in Appendix B.5.

Manufactured Product	Input Product and Unit of Measure	Output Unit of Measure	Conversion factor	How was factor determined
Sawlogs UN 0312	Standing timber, bd. ft, Doyle Scale	Board Feet, Doyle Scale	1000 bf standing timber : 1200 bf sawlogs	Job by job basis
Lumber UN 3131	Sawlogs, bd. ft, Doyle Scale	Board Feet	1000 bf sawlogs : 1150 bf lumber	Historical yield
Bark mulch UN 3212	Sawlogs, bd. ft, Doyle Scale	Cubic Yards	1000 bf sawlogs : 0.9 cu yd mulch	USFS Publication

5.2 Material Balances. This Group Member will maintain sufficient records of FSC material purchased and sold to assure that volume of FSC material sold during the period does not exceed the volume on inventory. The period may be established as monthly, quarterly. Initially and at each audit, each member will show FSC volume purchased, FSC volume sold and FSC volume in inventory. This member's inventory control system is indicated on the form in Appendix B.5.

5.3 Determination of FSC Claims. This Group Member will state which of the three FSC Claims Systems (Transfer, Percentage, or Credit) will be used. Initially, all Group Members will use the Transfer system to determine FSC Claims. That is, whatever claim that is supplied by our supplier is what we use to sell our products. Before using a different system to determine claims, we will check with the DoF before using that system. This Group Member understands that extra accounting requirements associated with Controlled Wood are necessary to use the Percentage or Credit Claim System.

6 Sales and Delivery

6.1 Identification of Outputs Sold with FSC Claims. This member will include the following information on all invoices and packaging lists, and will attach examples to this

document. As a common business practice, most businesses already do all but the last two items on the list below:

- Company name and contact information (address)
- Customer name and contact information (address)
- Date when the document was issued (the packing slip and invoice may be different dates)
- Product Description (Including your's and/or customer's part number).
- Quantity shipped/sold and Unit Of Measure
- **This Member's FSC Chain of Custody Code number: SCS-COC-002041**
- **The FSC Claim for the product being shipped:** (FSC Pure, FSC Mixed XX%, FSC Mixed Credit, FSC Recycled XX%, FSC Recycled Credit, or FSC Controlled Wood)

The same information listed above will appear on packing slips that accompany the delivery. If the invoice is delivered on the same truck as the material, the invoice will be sufficient. Every delivery of FSC material will be accompanied by a piece of paper indicating all the above information.

A common business practice for Indiana loggers is to deliver logs to a mill before the logs are scaled, so no invoice or packing slip accompanies the load. The invoice is replaced by a mill or yard scale ticket received at the mill after the load is scaled. This scale ticket is the basis for payment and is therefore considered the invoice from the logger's perspective. For FSC material, this scale ticket will include the logger's (seller's) name and contact information, FSC CoC code number (SCS-COC-002041*) and FSC claim along with all other information listed above.

6.2. Labeling of Products sold with FSC Claims. This Group Member will not initially use FSC on-product labeling. Before we use FSC on-product labels, we will notify the DoF for approval. This Group Member will assure that all products sold with an FSC claim do not carry any labels from other forestry conformity assessment schemes (no SFI, PEFC labels).

6.3. Supplying of FSC Controlled Wood. This Group Member understands the requirements to supply FSC Controlled Wood as specified in FSC-STD-40-005 Part 4. 1 Part V of this document fully outlines the process for supply of controlled wood as necessary to fulfill the requirements of FSC-STD-40-005 (Version 2-1) EN.

○ **PART II: SYSTEM FOR CONTROLLING FSC CLAIMS**

7. Transfer System

7.1 Specification of Claim Periods or Job Orders. This Group Member will use the claim period specified below:

- ☐ Job to Job Basis
- ☐ Batch Basis
- ☐ Monthly Basis
- ☐ Quarterly Basis
- ☐ Other (_____)

7.2. Inputs with Identical FSC Claims. All Claims for any specific item in a batch or claim period are the same claim (FSC input) as will be used in the FSC final product (FSC output)

7.3. Inputs with different FSC Claims. This is currently not applicable to this Group. All Group Members will initially use the FSC Pure Claim.

8. Percentage System

- ☐ This member will use the percentage system.
- ☐ This member will not use the percentage system.

8.1 Specification of claim periods. This member will specify a claim period for which a single FSC percentage claim shall be made:

- ☐ Job by Job Basis
- ☐ Batch Basis
- ☐ Daily Basis
- ☐ Monthly Basis

8.2 Determination of FSC and post-consumer input. This member will use the percentage claim or credit claim stated on the supplier invoice to determine the quantity of FSC inputs. Post-consumer inputs are not applicable to this group.

8.3 Calculation of the input percentage. This member will calculate and record the input percentage for each claim period or job order as specified in FSC-STD-40-004 V2-0 EN. The percent input shall be equal to quantity of FSC input divided by the total quantity of virgin material, expressed as a percent. This member will calculate input percentage based on the fixed claim period stated above and will not use the rolling average percentage method. For each product group, the input percentage will be based on claim periods indicated above, not to exceed 1 month.

8.4 This member will sell the total output of a claim period from FSC Mixed product groups with a percentage claim equal to or less than the calculated input percentage. Any wood that has not been sold with an FSC percentage claim during the claim period may be sold as FSC Controlled Wood.

8.5 This member will not use FSC trademarks which do not meet the thresholds for labeling specified in Part III of FSC-STD-40-004 V2-0 EN.

9. Credit System

☐ This member will use the credit system.

☐ This member will not use the credit system.

9.1 Specification of claim periods. This member will setup and maintain an FSC credit account on the following claim period, but will not exceed 1 month:

☐ Job by Job Basis

☐ Batch Basis

☐ Daily Basis

☐ Monthly Basis

9.2 Determination of FSC and post-consumer input. This member will use the percentage or credit claim stated on supplier invoices to determine the quantity of FSC input.

9.3 Adding FSC credit to the credit account. This member will add to the credit account the converted quantity of FSC material with conversion factors as stated in Appendix B-5. The credit will be added after ownership and receipt of the material but before the material enters any production process. For sawmills producing chips from sawmill co-products, a conversion factor provided by Domtar (a primary consumer of chips in this area) is 1000 bd ft of sawn logs produced 1 ton of residual chips based on Domtar historical data. This member will use this conversion factor to add FSC Recycled credit to the credit account on the claim period specified in 9.1 above.

9.4 Withdrawing FSC credit from the credit account. This member will deduct the quantity sold from the available FSC credit as FSC Mixed or FSC Recycled.

9.5 This member will assure that the credit account is never overdrawn, and records of remaining FSC credit will be clearly available to all relevant staff. This member will not accumulate more FSC credit in the credit account than the sum of new FSC credit added during the previous 12 months using an accounting system similar to the following example:

FSC Credit System			Product = Chips				
Units = Tons			This Group Member Company				
Date	Board Feet Processed	Tons of Chips Added	Tons of Chips Sold	Balance	Sum of Credit added previous 12 months	Corrected Balance	Invoice Number
1/1/2009	20000	20	0	20	20	20	
2/1/2009	20000	20	0	40	40	40	
3/1/2009	20000	20	0	60	60	60	
4/1/2009	20000	20	0	80	80	80	
5/1/2009	20000	20	0	100	100	100	
6/1/2009	20000	20	0	120	120	120	
7/1/2009	20000	20	0	140	140	140	
8/1/2009	20000	20	0	160	160	160	
9/1/2009	20000	20	0	180	180	180	
10/1/2009	20000	20	20	180	200	180	
11/1/2009	20000	20	0	200	220	200	
12/1/2009	20000	20	0	220	240	220	
1/1/2010	20000	20	0	240	240	240	
2/1/2010	20000	20	0	260	240	240	

9.6 FSC claims for outputs. This member will sell material from the FSC Mixed or FSC Recycled product group with a credit claim up to the total credits available in that credit account, making sure the credit account is never overdrawn.

○ **PART III: LABELING**

10. General Labeling Requirements

10.1 Application of Labels. This Group Member will not initially use FSC on-product labeling. Before we use FSC on-product labels, we will notify the DoF for approval.

11. Eligibility for Labeling

Not applicable.

○ **PART IV: SUPPLEMENTARY REQUIREMENTS**

12. Outsourcing

12.1 Preconditions for Outsourcing. This Group Member will state which processes will be outsourced. The Group Member will maintain legal ownership of all outsourced materials at all times. An outsourcing example would be a sawmill that sends green lumber to a dry kiln owned by a separate company and receives the dried lumber, while maintaining ownership at all times. Processes to be outsourced by this group member are listed on the form on Appendix B-12.

12.2. Maintaining traceability and paper trails. The materials to be outsourced will be clearly marked on the material and on accompanying purchase orders or packing lists. The Outsourcing Company must agree to maintain the marking and accompanying paperwork. The traceability and paper trail system used by this group member is indicated on the form in Appendix B-12.

12.3. Records. This Group Member will maintain records of Outsourcing Contractors for a minimum of five years.

12.4. Invoicing. This Group Member, not the Outsourcing Contractor, will issue the invoice and use the FSC COC code.

12.5. Labeling. The Outsourcing Contractor must agree to only use the FSC labels on products covered by the scope of the Outsourcing Agreement.

12.6. Promotion. The Outsourcing Contractor must agree to not use the FSC Trademark for its own promotional use.

12.7. Preclusion of Subcontracting. The Outsourcing Contractor must agree to do the contracted work themselves and to not sub-contract the process to an outside company.

13. Minor Components

Not Applicable.

○ PART V: CONTROLLED WOOD

V.1 Company policy. In order to purchase and supply FSC Controlled Wood, this Group Member hereby establishes the following policy. This policy is signed by the most senior management level of this company and is available to the public or any of our customers or suppliers upon request, prominently posted in the company office and/or posted on the company website. This Company Policy is:

Policy for Sourcing Wood, Wood Fiber and Pulp for All Forest Stewardship Council (FSC) Certified Products

It is the policy of _____ to avoid using wood from forest areas where traditional or civil rights are violated; forest areas where high conservation values are threatened by management activities; wood from forests in which genetically modified trees are planted; wood that has been harvested illegally or wood harvested

from areas which have been converted from natural forest to plantations or non-forest uses. This Group Member has appointed _____, _____ as the contact person responsible for implementing this policy.

If it is demonstrated that this company is using wood from such sources in its FSC certified products, we will promptly take appropriate actions, including stopping purchases from such sources.

We are committed to making best efforts to identify the sources of wood used for products labeled according to the FSC rules, and to establish the origin of materials used in the products affected with sufficient geographical resolution to ensure compliance with the policy. If it proves impossible to identify the origin of some of these raw materials, we are committed to replacing them with materials which can be sourced with confidence. Our sourcing policy requires us to verify and monitor our sources, the proportions of raw materials which have not yet been verified, and the steps being taken to replace materials of unknown origin.

Adopted _____
date

signature

name

title

V.2 Procedures. This Group Member has established procedures to fully comply with FSC-STD-40-005 V2-1 EN. Those procedures are summarized in the various sections of this document. The person or position responsible for implementing each procedure is listed in Appendix B.1

V.3 Training. This Group Member will require all relevant staff to attend training provided by the Indiana Division of Forestry as necessary to implement this standard. The FSC CoC Administrator will keep records of training provided to staff in relation to this standard. Initial training of existing employees will be provided within 3 months of group membership and before any FSC Controlled Wood is purchased. New employees will be provided training in relation to this standard within 3 months of employment. Thereafter, each relevant employee will be provided refresher training at intervals not to exceed 3 years.

V.4 Records. This Group Member will maintain complete and up-to-date records covering all the requirements of FSC-STD-40-005 V2-1 EN for a minimum of five years.

V.5 Supplier identification. This Group Member will maintain an up-to-date list of all suppliers of FSC Certified and FSC Controlled material. For each supplier, we will keep records of name and address of supplier, description of the wood supplied (standing timber, logs, etc.), species and volume of wood supplied and any necessary purchasing documentation. This information will be recorded on the form in Appendix B-3 or a similar form in either electronic or paper form.

V.6. FSC Certified inputs from FSC certified suppliers. For FSC certified wood supplies from FSC Certified suppliers, this Group Member will require that FSC material is clearly identifiable (FSC Pure, FSC Recycled or FSC Mixed) as required in FSC-STD-40-004 V2-0 EN.

V.7 FSC Controlled Wood inputs from suppliers certified to deliver FSC Controlled Wood. For FSC Controlled Wood that is identified as controlled wood by the supplier, this Group Member will ensure that material is properly and clearly identified as Controlled Wood. We will assure that proper documentation is provided that links the invoice to the product supplied. We will require the suppliers FSC CoC Controlled Wood certificate number on all documents, and will verify that the supplier has a valid Controlled Wood certificate with www.fsc-info.org.

V.8 FSC Controlled Wood inputs from non FSC certified suppliers. Wood supplied by non-FSC certified suppliers will be subjected to a higher level of control. We will determine the country and district of origin of all wood supplied, and will require documentation to demonstrate the forest management unit of origin. For logs delivered to a mill, this may be in the form of a timber sale contract or statement signed by a landowner stating the state and county of origin, landowner's name, volume of material involved in the transaction, and date. A landowner and timber buyer's declaration of forest unit of origin on the form in Appendix B-13 or a similar form will be used as proof of origin. This Group Member will rely on the Division of Forestry's audit process to verify the authenticity of the country and district of origin of wood, and will provide any information necessary for the Division of Forestry to conduct any necessary audits.

V.9 Uncontrolled wood inputs. For supplies of uncontrolled wood, this Group Member will establish and maintain a system to ensure that uncontrolled wood is not mixed with FSC Controlled or FSC certified wood. That system is documented in Appendix B-4.

V.10 Species listed on CITES. This Group Member will make sure that any species of wood listed in Annex 1, 2, or 3 of the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES) has proper applicable licenses and/or export permits.

V.11 Risk Assessment. This Group Member is aware of the Division of Forestry's risk assessment for the Eastern United States and intends to purchase most or all of the FSC Controlled Wood from this District. Any wood purchased from outside this district will not be considered FSC Controlled Wood. If this Group Member discovers any issue which would affect the low risk rating for any category specified in FSC-STD-40-005 V2-1 EN, we will provide information that information to the Division of Forestry.

V.12 Verification program for wood supplies identified as coming from low risk sources. Only wood coming from sources identified as low risk for all categories will be treated as FSC Controlled Wood.

V.13 Verification program for wood supplies from sources with unspecified risk. Not applicable. This Group Member will not treat wood from sources not confirmed as being low risk as Controlled Wood

V.14 Complaints mechanism. This company has implemented a complaints mechanism. Any complaints received with supporting evidence will be forwarded to the Division of Forestry within one week. The complainant will immediately be informed of the complaints mechanism and advised to provide complaints and evidence directly to the Division of Forestry. The Division of Forestry will review the complaint and supporting evidence. If the Division of Forestry considers the complaint to be relevant, it will notify this Group Member within one week. Upon notification by the Division of Forestry, this Group Member will exclude the supply and supplier from the company's FSC Controlled Wood category. Only upon written clearance from the Division of Forestry that the supply and supplier are in full compliance with the FSC Controlled Wood standard will this Group Member treat the supply as FSC Controlled Wood. This Group Member's and the Division of Forestry's complaints mechanism is as follows:

**Indiana Division of Forestry
FSC Controlled Wood
SCS-COC-002041**

Complaints Procedure

Complaints supported by evidence related to supplies of controlled wood will be assessed by the Property Program Specialist within 2 weeks of receipt. In the event that evidence is considered relevant, a field verification will be conducted within 2 months of receipt of the complaint. Field verifications will be conducted by personnel with sufficient expertise and knowledge to be able to conduct the verification in accordance to the standard (Annex 3 of FSC-STD-40-005 V2-1).

If the field verification concludes that the wood does not meet the requirements of FSC Controlled Wood standard Annex 3, or if the field verification is not conducted within 2 months of receipt of the complaint, then the supply will be excluded from our FSC Product Groups and no claims about this material will be made until the supply has been proven to comply with the FSC Controlled Wood requirements. Furthermore, the Division of Forestry will notify the United State FSC National Initiative and SCS of the results of the verification within 2 weeks.

Records of all complaints received and actions taken will be kept for a minimum of 5 years and made available to SCS upon request.

Anyone may submit complaints along with evidence to:

Carl Hauser
Indiana Division of Forestry
402 W. Washington, Room W-296
Indianapolis, IN 46204
Phone: (317) 232-4114
Fax : (317) 233-3863
Email : chauser@dnr.in.gov

V.15 Supplying FSC Controlled Wood. This Group Member will include the following information on invoices and transport documents the following information: name and address of buyer, date issue, description of the product, quantity of product sold, reference to batch and/or related shipping information sufficient to link the invoice to the goods received, and the this Member's FSC Controlled Wood code. All documents will include the product description "FSC Controlled Wood" for applicable products.

Appendix A. Application for Group Membership in the Indiana Division of Forestry Group Chain of Custody for Forest Stewardship Council (FSC)
Certificate Number SCS-COC-002041

Business Name: _____

FSC CoC Administrator: _____
(Contact Name)

Mailing Address: _____

City: _____ State: IN Zip: _____

Phone: _____ Email: _____

Fax: _____ Website: _____

Type of Business:

☐ Logging ☐ Hauling ☐ Sawmill ☐ Concentration Yard ☐ Veneer Mill

☐ Other (Specify) _____

Number of Employees, including seasonal, full time, part time: _____

Estimated Annual Production: _____
(Annual production amount) (Unit – mbf, pieces, tons)

I hereby request to be included in the Indiana Division of Forestry FSC Group Certificate. I agree to comply with the FSC standards and respond to any Corrective Action Requests identified by the Division of Forestry or its contractors. I understand that membership in this group is totally voluntary and that I may withdraw from the group for any reason with a 30-day notice to the Division of Forestry.

Signature: _____ Title: _____

Printed Name: _____ Date: _____

FSC License Subcode: _____

Date Removed from Group: _____ Reason: _____

Return to: Carl Hauser, IDNR Division of Forestry, 402 W. Washington Room W296, Indianapolis, IN 46204. Phone 317-232-4114, email chauser@dnr.in.gov, fax 317-233-3863.

Appendix B-1. FSC Chain of Custody Group Member Procedures for Quality Control

Business Name: _____

FSC CoC Administrator: _____

Date: _____

The Group Chain of Custody Certification Procedures for the Forest Stewardship Council (FSC) is included as part of this company's policy or procedure manual. These procedures are necessary to insure the integrity of the FSC CoC Certificate. This company fully intends to prevent any non-FSC wood from entering our FSC Chain of Custody, in compliance with FSC STD 40-004 V2.

The following management personnel are responsible for the corresponding procedure.

Name _____	Procedure _____
------------	-----------------

_____	<input type="checkbox"/> Specifying, <input type="checkbox"/> Purchasing, <input type="checkbox"/> Receiving, <input type="checkbox"/> Inventory Control, <input type="checkbox"/> Manufacturing, <input type="checkbox"/> Quality Assurance, <input type="checkbox"/> Human Resources, <input type="checkbox"/> Packaging, <input type="checkbox"/> Shipping, <input type="checkbox"/> Invoicing, <input type="checkbox"/> Other (_____) Date FSC Training Completed _____, Refresher training _____
-------	--

_____	<input type="checkbox"/> Specifying, <input type="checkbox"/> Purchasing, <input type="checkbox"/> Receiving, <input type="checkbox"/> Inventory Control, <input type="checkbox"/> Manufacturing, <input type="checkbox"/> Quality Assurance, <input type="checkbox"/> Human Resources, <input type="checkbox"/> Packaging, <input type="checkbox"/> Shipping, <input type="checkbox"/> Invoicing, <input type="checkbox"/> Other (_____) Date FSC Training Completed _____, Refresher training _____
-------	--

_____	<input type="checkbox"/> Specifying, <input type="checkbox"/> Purchasing, <input type="checkbox"/> Receiving, <input type="checkbox"/> Inventory Control, <input type="checkbox"/> Manufacturing, <input type="checkbox"/> Quality Assurance, <input type="checkbox"/> Human Resources, <input type="checkbox"/> Packaging, <input type="checkbox"/> Shipping, <input type="checkbox"/> Invoicing, <input type="checkbox"/> Other (_____) Date FSC Training Completed _____, Refresher training _____
-------	--

_____	<input type="checkbox"/> Specifying, <input type="checkbox"/> Purchasing, <input type="checkbox"/> Receiving, <input type="checkbox"/> Inventory Control, <input type="checkbox"/> Manufacturing, <input type="checkbox"/> Quality Assurance, <input type="checkbox"/> Human Resources, <input type="checkbox"/> Packaging, <input type="checkbox"/> Shipping, <input type="checkbox"/> Invoicing, <input type="checkbox"/> Other (_____) Date FSC Training Completed _____, Refresher training _____
-------	--

Appendix B-2. Product Group Chart.

Check if Produced by this Member	FSC Material Output Category (1 of: FSC Pure, FSC Mixed, FSC Recycled, or FSC Controlled Wood)	FSC Product Classification(s) (See FSC-STD-40-004a (V1-0) EN)	FSC Species Terminology (If commonly used to designate product characteristics)	Material Input Categories (As many as apply: Pure, Mixed, Recycled, FSC Controlled Wood)	Control System (1 of: transfer, percentage, or credit)	Participating Sites (Sites involved in management, production, storage, sale, etc.)
<input type="checkbox"/>	<input type="checkbox"/> FSC Pure <input type="checkbox"/> FSC Mixed <input type="checkbox"/> FSC Controlled	UN 0311 Coniferous Sawlogs	Pine sp, Redcedar	<input type="checkbox"/> FSC Pure <input type="checkbox"/> FSC Mixed <input type="checkbox"/> FSC Controlled	<input type="checkbox"/> Transfer <input type="checkbox"/> Percent. <input type="checkbox"/> Credit	
<input type="checkbox"/>	<input type="checkbox"/> FSC Pure <input type="checkbox"/> FSC Mixed <input type="checkbox"/> FSC Controlled	UN 0312 Hardwood Sawlogs	Mixed Hardwoods	<input type="checkbox"/> FSC Pure <input type="checkbox"/> FSC Mixed <input type="checkbox"/> FSC Controlled	<input type="checkbox"/> Transfer <input type="checkbox"/> Percent. <input type="checkbox"/> Credit	
<input type="checkbox"/>	<input type="checkbox"/> FSC Pure <input type="checkbox"/> FSC Mixed <input type="checkbox"/> FSC Controlled	UN 3110 Wood sawn sliced or peeled lengthwise, exceeding 6 mm	Mixed Hardwoods, Pine	<input type="checkbox"/> FSC Pure <input type="checkbox"/> FSC Mixed <input type="checkbox"/> FSC Controlled	<input type="checkbox"/> Transfer <input type="checkbox"/> Percent. <input type="checkbox"/> Credit	
<input type="checkbox"/>	<input type="checkbox"/> FSC Pure <input type="checkbox"/> FSC Mixed <input type="checkbox"/> FSC Controlled	UN 0123 Wood in chips or particles, bark or bark mulch	Mixed Hardwoods, Pine	<input type="checkbox"/> FSC Pure <input type="checkbox"/> FSC Mixed <input type="checkbox"/> FSC Controlled	<input type="checkbox"/> Transfer <input type="checkbox"/> Percent. <input type="checkbox"/> Credit	
<input type="checkbox"/>	<input type="checkbox"/> FSC Pure <input type="checkbox"/> FSC Mixed <input type="checkbox"/> FSC Controlled	UN 3151 Veneer sheets; sheets for plywood	Mixed Hardwoods, Pine	<input type="checkbox"/> FSC Pure <input type="checkbox"/> FSC Mixed <input type="checkbox"/> FSC Controlled	<input type="checkbox"/> Transfer <input type="checkbox"/> Percent. <input type="checkbox"/> Credit	
<input type="checkbox"/>	<input type="checkbox"/> FSC Pure <input type="checkbox"/> FSC Mixed <input type="checkbox"/> FSC Controlled	UN 0313 Fuel Wood in logs or similar forms	Mixed Hardwoods, Pine	<input type="checkbox"/> FSC Pure <input type="checkbox"/> FSC Mixed <input type="checkbox"/> FSC Controlled	<input type="checkbox"/> Transfer <input type="checkbox"/> Percent. <input type="checkbox"/> Credit	
<input type="checkbox"/>	<input type="checkbox"/> FSC Pure <input type="checkbox"/> FSC Mixed <input type="checkbox"/> FSC Controlled	UN 3170c Staves	Oak	<input type="checkbox"/> FSC Pure <input type="checkbox"/> FSC Mixed <input type="checkbox"/> FSC Controlled	<input type="checkbox"/> Transfer <input type="checkbox"/> Percent. <input type="checkbox"/> Credit	
<input type="checkbox"/>	<input type="checkbox"/> FSC Pure <input type="checkbox"/> FSC Mixed <input type="checkbox"/> FSC Controlled	UN 0123 Wood in chips or particles, bark or bark mulch	Mixed Hardwoods, Pine	<input type="checkbox"/> FSC Pure <input type="checkbox"/> FSC Mixed <input type="checkbox"/> FSC Controlled	<input type="checkbox"/> Transfer <input type="checkbox"/> Percent. <input type="checkbox"/> Credit	
<input type="checkbox"/>						

- ☐ This company will not outsource any FSC materials to outside contractors
- ☐ This company will outsource FSC materials to outside contractors. Outsourcing agreements are completed as required in Part 12 or a form similar to Appendix B12.

Appendix B-3. Record of all FSC Suppliers

[illegible]

Appendix B-4. Segregation of FSC / Non-FSC Material

Business Name: _____

FSC CoC Administrator: _____

Date: _____

This Group Member will assure segregation of FSC/Non-FSC material in the following way(s).

- ☐ FSC Material will be physically stored in a separate location
- ☐ FSC Material will have a special label or part number as follows: _____

- ☐ FSC Material will have a unique bar code attached
- ☐ FSC material is end painted a unique color, using _____ paint
- ☐ In production, FSC material is processed in separate runs or batches
- ☐ FSC Material will be segregated from non-FSC material as described below:

This image shows a single sheet of white paper with horizontal blue or grey ruling lines. The lines are evenly spaced and run across the width of the page. There are approximately 20 lines visible. The paper has a slight shadow on the right side, suggesting it's resting on a surface.

Appendix B-5. Volume Control

This business uses the following system to maintain FSC material balances:

Input and output volume are maintained in: ☐ computer system, ☐ ledger book,

☐ paper files, ☐ other system (_____)

Input and output volumes are calculated: ☐ on a job-by-job basis, ☐ month to month,

☐ quarterly, ☐ other basis (_____)

☐ This business does not use a conversion factor. All products sold are in the same units as products received.

☐ The following volume conversion factors are used:

Manufactured Product	Input Product and Unit of Measure	Output Unit of Measure	Conversion factor	How was factor determined
Wood in chips from sawmill co-products	Doyle Board feet	Tons	1 MBF sawlogs produces 1 ton of residual chips	Domtar production records

Appendix B-12. Chain of Custody Certification Outsourcing Agreement.

Business Name: _____

FSC CoC Administrator: _____

Date: _____

This Outsourcing Agreement allows the group member named above to outsource some processing functions to the contractor named below. The Group Member agrees to the following:

- All certified wood sent to an outsourcing company will be clearly marked as certified on the wood or load of wood itself (paint, tags, etc.) and on accompanying documentation (bills of lading, order forms, etc.)
- The exact certified wood that is shipped to the outsourcing company is the only wood to be used in the manufacturing of the desired outsourced wood product.
- The outsourcing company is fully aware of all the responsibilities outlined below.
- The annual report to DoF must document dates and quantities (sent out and received) of outsourced materials.

Outsourcing Company Name: _____

Contact Name: _____

Mailing Address: _____

City: _____ State: IN Zip: _____

Phone: _____ Email: _____

As an outsourcing company for certified wood products, a company must agree to the following terms:

- The outsourcing company will only use the wood sent to them by the FSC certified company named above. No other wood will be used in the job other than that which is sent specifically for certified use.
- Products sent back to the above named company were manufactured using only the certified wood sent to them by the certified company.
- The certified wood products sent back to the certified company will be labeled clearly as certified on all accompanying documentation (sales slips, bills of lading, shipping invoices, etc.)
- The outsourcing company will only use the FSC labels on products covered by the scope of this outsourcing agreement.
- The non-certified outsourcing company named above can make no claims of being a certified company. The company has no right to advertise or market their products as certified or to use the FSC Trademarks for their own promotional use.
- The outsourcing company will not sub-contract this process to an outside contractor.

The processes to be outsourced to this Outsourcing Company are listed below:

Product or Process to be Outsourced	How the Material is Physically Marked	Accompanying Documentation

We understand and agree to the terms listed above:

Signature of FSC CoC Certified Company

Signature of Outsourcing Company

Date Signed

Date Signed

Appendix B-13. Declaration of Forest Unit of Origin

Job # _____

This is to certify that the forest products described below originated from a forest unit located in the county and state indicated below. This form satisfies the Forest Stewardship Council (FSC) requirement for proof of purchase from the forest management unit of origin as stated in FSC-STD-40-005 V2-1 EN. This information is required if the purchaser or any other processor in the supply chain intends to treat this material as FSC Controlled Wood.

Landowner Name _____

Location of management unit _____ County (Counties)
in the state of _____, USA.

Timber Buyer Name _____

Purchase Date _____

Describe the terms of the transaction or complete one of the following tables with the information available. Attach additional information if available.

☐ Contract Sale

Species	Number of Trees	Estimated Bd. Ft Volume

☐ Diameter Limit

Minimum diameter	Estimated Volume

☐ Shares Sale

Share Amount	Estimated Volume

☐ Other

By signing below, the landowner and purchaser state that the above information is true to the best of our knowledge on said date.

Landowner_____
Timber Buyer_____
Date_____
Date